



**Office of the Attorney General Lisa Madigan
State of Illinois**

**Request for Proposals
Mortgage Foreclosure Mediation Projects
July 2012**

Background

Attorney General Lisa Madigan has announced that up to \$3 million in funding from the national foreclosure settlement reached this year will be used to fund proposals to incubate new mortgage foreclosure mediation programs in counties where these programs do not currently exist.

Madigan's commitment stems from her role in securing a \$25 billion national settlement in February with the nation's five largest bank mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally Bank, formerly GMAC. The settlement addressed allegations of widespread "robo-signing" of foreclosure documents and other fraudulent practices while servicing loans of struggling homeowners.

As part of the settlement, the Attorney General's office will recover money from the banks to remediate the historic levels of foreclosure in Illinois. Madigan's announcement is the first step in the distribution of that funding to be used to assist homeowners and communities to recover from this crisis through funding for legal assistance programs, housing counseling services and community revitalization efforts statewide.

"We need to give homeowners a fighting chance to save their homes from foreclosure," Madigan said. "When combined with access to legal aid and housing counseling, mediation can be a useful tool to help borrowers reach agreements with their lenders that put both sides in the best position to move forward."

The settlement will also provide direct relief to affected borrowers in Illinois and completely overhaul mortgage servicing standards to prevent future abuses by lenders that many consumers have faced while trying to save their homes during the foreclosure process.

Availability of Funds

Funding is available for multi-year grants to 501 (c) 3 tax-exempt organizations that have demonstrated capacity to incubate effective mortgage foreclosure mediation programs .

Eligible Projects

- Projects that help develop new mortgage foreclosure mediation programs in counties that do not currently have one of these programs, with an emphasis on the following features:
 - A solid plan for starting a mortgage foreclosure mediation program that demonstrates it is realistically attainable for that particular county or counties.
 - A program that incorporates meaningful access to housing counseling and pro bono legal representation for eligible borrowers (the Attorney General is separately funding these services with a portion of the settlement funds).
 - A sustainability plan that includes a long-term funding plan, either through a dedicated filing-fee add-on or another identifiable source.
 - Training of judges, key court personnel and volunteers on mortgage foreclosure mediation.

Limitations

- Funds appropriated by the Attorney General may not be spent on a sectarian purpose.
- Funds may not be used for the purpose of lobbying; encouraging political activities, labor or anti-labor activities, boycotts, picketing, strikes or demonstrations; or investigative or legal compliance activities related to a pending dispute.
- No more than 25% of grants awarded can be used for overhead costs.

Timeline and Format for Application

- On August 15, 2012, applications are due electronically to Deborah Hagan, Office of the Attorney General, dhagan@atg.state.il.us, with copy to Tracy Celletti, tcelletti@atg.state.il.us. Grants will be awarded on a rolling basis.
- Proposals should include a brief summary of the proposed services, a budget, and background about the organization's expertise and capabilities to provide the services. The Office of the Attorney General may request additional information.

General Evaluation Criteria

- Demonstrated need for the proposed services.
- Applicant's experience in providing the services, as indicated by the experience levels and qualifications of key staff and the numbers of persons served in prior years.
- Efficient service delivery which takes into consideration factors such as the relative costs of the applicant's services; cooperation and coordination with other entities to avoid duplication of effort; the use of trained volunteers; and the use of technology to increase access to services and to maximize productivity.
- Sound organizational management, including indices such as the fiscal health of the sponsoring organization; realistic income and expense budgets for the project; and the evidence of active involvement and oversight by a qualified advisory board and/or board of directors.